DOCUMENT RESUME

ED 351 160 RC 018 837

AUTHOR Sandefur, Gary D.
TITLE Economic Development and Employment Opportunities for American Indians.
PUB DATE [91]
NOTE 16p.; In: Green, Donald E., Ed. and Tonnesen, Thomas V., Ed. American Indians: Social Justice and Public Policy, 1991; see RC 018 834.
PUB TYPE Information Analyses (070) -- Reports - Evaluative/Feasibility (142)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Adult Vocational Education; *American Indian Reservations; American Indians; *Economic Development; *Employment Programs; Federal Government; *Federal Indian Relationship; Federal Programs; Health Needs; Job Training; *Public Policy; *Unemployment
IDENTIFIERS Tribal Government

ABSTRACT

American Indian unemployment remains high despite efforts by tribes and the federal government to improve employment opportunities. Persistently high unemployment among Indians has resulted in low family incomes and high poverty rates relative to Whites. Particularly serious on reservations, these continuing problems are related in part to low educational attainment and poor health among American Indians. Federal agencies and programs that affect employment are the Bureau of Indian Affairs, Indian Health Service, Department of Agriculture, Office of Elementary and Secondary Education, and federal employment programs. Policies and strategies to address employment problems emphasize Indians as: members of tribes administered by tribal governments; members of a minority group; or members of a larger disadvantaged group in need of better education and training. The evidence suggests that strategies relying on tribal governments have had limited success but have been hampered by lack of expertise in managing tribal natural resources, geographic isolation of reservations, small size of many tribes, and fears among private businesses about legal recourse and tribal sovereignty. Further, current knowledge does not identify other strategies for overcoming barriers to economic growth. Limited research suggests positive impacts on Indian employment from affirmative action, public sector employment through CETA, and employment and training programs directed specifically at American Indians. (SV)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED351160

ECONOMIC DEVELOPMENT AND EMPLOYMENT OPPORTUNITIES FOR AMERICAN INDIANS

Gary D. Sandefur

University of Wisconsin-Madison

Policymakers and students of American Indians have a particular interest in the issue of economic development in Indian country. The importance of this issue to the Reagan administration was demonstrated in the early 1980s by the creation of the Presidential Commission on Reservation Economies. The commission's report generated considerable controversy by proposing that Indian governments relinquish some of their rights in order to attract private business to the reservation.[1]

Although economic development per se has received a good deal of attention, it can be argued that it is a secondary issue compared to the more urgent need to provide better work opportunities for American Indians. Observers from both sides of the political spectrum agree that many American Indians, especially those on isolated reservations, are unable to secure adequate employment. According to the 1980 census, 13.2 percent of the national Indian population aged sixteen and older and 27.8 percent of the reservation Indian population aged sixteen and older were unemployed. In contrast, approximately 12 percent of blacks, 8.9 percent of Hispanics, and 5.8 percent of whites were then unemployed.[2]

The federal government and American Indian tribes have explored a number of alternatives for improving employment opportunities. One solution involves providing financial assistance and special social services to Indians who are willing to move from reservations and isolated rural areas to urban areas, where better jobs are supposedly available. This voluntary relocation program was implemented in the early 1950s and continues now, though at a much lower level of funding than in the past. A second solution involves cooperative efforts between the federal government and tribes to develop tribally-owned business enterprises, ranging from bingo parlors and convention centers to lumber and pen-

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
Thomas V. Tonneson
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☑ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

RC018037

BEST COPY AVAILABLE

cil companies. Third, recent presidential administrations, especially the Reagan administration, have encouraged tribes to forego establishing their own businesses and concentrate their efforts on attracting private enterprises to reservations. This is an extension of the old Bureau of Indian Affairs (BIA) policy of leasing Indian-owned resources to individuals or non-Indian businesses. Fourth, affirmative action programs, and the Indian preference program in the BIA and tribal organizations, have attempted to open existing jobs to Indians both on and off reservations. Finally, health, education and training programs have attempted to improve the human capital of the Indian labor force in order to allow them to better compete for those jobs which are available.

The consensus among Indian and non-Indian policymakers seems to be that these programs, singly and in combination, have not worked. This conclusion is based, however, on the simple but compelling observation that Indian unemployment remains quite high, rather than on an analysis of the evidence regarding the effects of each of these programs. The purpose of this chapter is to carry out such an analysis. It will first examine evidence on the employment and earnings of American Indians. Second, it will outline the unique governmental context within which efforts to improve economic opportunities for American Indians must take place. Finally, it will identify possible solutions and assess their potential effectiveness in encouraging more economic development and employment opportunities for American Indians.

American Indian Income, Earnings, and Employment

It is clear that a strong relationship exists between economic development, employment opportunities, and individual and family economic well-being. Groups of people who experience employment problems are also likely to have low incomes and high poverty rates. At the time of this writing, the most recent evidence that we have on the national Indian population (from the 1980 census) indicates that American Indians are considerably poorer than whites. An examination of the poverty rates for all households in 1980 shows that whites had the lowest poverty rate (11 percent), and that the Indian rate (22 percent) was somewhat lower than that for blacks (29 percent). Among particular types of households, the poverty rate of blacks and American Indians was much closer: whereas 5 percent of white married couples with children were in poverty, the corresponding figures were 15 percent for blacks and 16 percent for Indians.[3]

Low family incomes and high poverty rates in the American Indian population are in large part due to low earnings. Analyses of data prepared by the Census Bureau show that although the earnings of American Indians increased between the years 1959 and 1979, the dollar figures remained considerably lower than those of whites.[4] The tremendous growth in earnings of most Americans during the 1960s resulted from economic growth, job creation, and low inflation during that decade. The 1970s, on the other hand, were characterized by slow or no growth and high inflation. Although Indian male weekly earnings grew from 63 percent to 84 percent of white male earnings between 1959 and 1979, Indian female earnings changed little and were only 50 percent of white male weekly earnings in 1979. The lower earnings of Indians obviously translate into lower family incomes and higher poverty rates. This problem is compounded by the fact that, among all U.S. racial and ethnic groups, American Indian men and women were those least likely to be employed the full year throughout the 1959-to-1979 period. Although the gap between Indians and whites narrowed, in 1979 only 59 percent of Indian men as compared to 79 percent of white men worked the full year; 35 percent of Indian women as compared to 42 percent of white women did so.

Employment on Reservations

EMPLOYMENT AMONG RESERVATION AND NONRESERVATION INDIANS, 1980

	All Indians	Res. Indians	Blacks	Whites
Percentage in Labor Force (Age 16+)	58.6	65.3	59.4	62.2
Percentage Unemployed (Age 16+)	13.2	27.8	11.8	5.8
Type of Work among Employed Individuals				
Private	66.3	34.5	70.3	76.0
Self-Employed	4.8	6.5	2.4	7.5
Unpaid Family	.4	.4	.1	.6
Total Nongovernment	71.5	41.4	72.8	84.1
Tribal Government[a]	—	28.1	—	—
Federal Government	10.8	19.3	7.4	3.4
Other Government	17.7	11.1	19.7	12.6
Total Government	28.5	58.5	27.1	16.0
TOTAL	100.0	99.9	99.9	100.1

Sources: U.S. Bureau of the Census, *General Social and Economic Characteristics of the Population, 1980* (Washington, D.C.: U.S. Government Printing Office, 1983); U.S. Bureau of the Census, *American Indians, Eskimos and Aleuts on Identified Reservations and in the Historic Areas of Oklahoma (Excluding Urbanized Areas)*, PC80-2-ID (Washington, D.C.: U.S. Government Printing Office, 1986).

[a] Only the special report on American Indians on reservations included a category for tribal government. For the other groups in the table, tribal government employees are included in the "Other Government" category.

The general employment statistics for American Indians disguise the truly depressing conditions on reservations. The lack of opportunities for gainful work in these areas is illustrated in the preceding table. In 1980, 65.3 percent of reservation Indians reported that they were in the labor force, i.e., employed or seeking work. A greater percentage of reservation Indians were in the labor force than any other group identified in the table, yet the unemployment rate was much higher for them than for any other group. In general, Indians had a higher unemployment rate in 1980 than blacks or whites.

The dearth of private sector employment on reservations is demonstrated by the distribution of types of work shown in the table. On reservations, 28.1 percent of employed persons work for tribal governments, and 58.5 percent of the employed work for some governmental unit. Only 34.5 percent of Indians on reservations work for a private employer. This compares with 66.3 percent of the national Indian population, and 70.3 and 76 percent for blacks and whites respectively. These figures indicate that government employment is relatively more important for Indians and blacks than for whites.

Causes of Economic Disadvantages

The reasons for high poverty rates, low incomes, low earnings and the poor employment prospects of American Indians have been debated for years. Research on the causes of these problems nevertheless has succeeded in identifying a number of factors that are clearly related to these disadvantages. These factors can be divided into those concerning the attributes of individual Indians (i.e., human capital), and those concerning the types of labor markets in which many Indians must seek employment.

Education and health are two of the most important individual attributes that are related to Indian employment, earnings and income. A considerable amount of research in the social sciences has confirmed a strong relationship between education and employment and between education and earnings. Much of the difference in the earnings of American Indian men and white men can be accounted for by the lower levels of education of the former as compared to the latter.[5] Fortunately, the average educational level of American Indians has been rising for some time; by 1979 the mean level of education achieved by American Indians and the proportion of American Indians who graduated from high school were very close to that of white Americans.[6] On the other hand, the gap between Indians and whites in terms of the proportion who graduate from college has not narrowed significantly.

In part the persisting differences in earnings and employment are due to this gap in the college completion rates of whites and Indians.

As previously stated, health status is another factor contributing to the relatively low earnings and high unemployment of American Indians. A 1983 study of factors related to American Indian income and education levels found that American Indian men were more likely than either white men or black men to have health conditions that limited their ability to work.[7] It is thus encouraging to note that recent data indicate that the health of American Indians has been improving dramatically in the past few decades.[8] Alcohol-related diseases, diabetes and other illnesses are still more prevalent among Indians than other groups, but the general trend is one of improvement.

These deficiencies in human capital are compounded by problems in the labor markets in which American Indians have to seek employment. The statistics in the earlier table indicate that many American Indians live on reservations or in isolated rural areas, where there are few opportunities for good jobs. These conditions have led many policymakers to believe that a possible solution to the employment problems of Indians was for them to move to metropolitan areas with better opportunities. The evidence on the effects of such mobility is, however, mixed. A recent study found that the wage rates for Indians in metropolitan areas were higher than those for Indians in nonmetropolitan areas, but in other ways the benefits of mobility were limited. These findings suggest that migration alone is insufficient to improve the lives of American Indians.[9]

In sum, the contemporary American Indian population is characterized by low incomes and high poverty rates relative to whites. This comparatively low level of economic well-being can be traced to persistent low earnings and high unemployment, despite the fact that the Indian population has in general made considerable progress since 1960. These continuing problems are in part due to the low levels of education and the poor health of American Indians. The problems appear to be particularly serious on reservations, and increasingly so in central cities where large American Indian populations have concentrated.[10]

Government Policies

A number of programs and policies have been enacted to redress the problems discussed above. Because policy implementation has occurred within a very complicated governmental framework, it is impossible to understand the effects of efforts to improve economic and

employment opportunities for American Indians without first examining this context.

The Federal Government

The role of the federal government in Indian affairs was first set forth in the U.S. Constitution and has been modified and delineated through a series of Supreme Court decisions and legislation since that time.[11] Because of this history, the federal government has a relationship with American Indians that is distinct from its relationship with any other minority group in the United States. While this relationship cannot easily be summarized, it can be characterized as having two major facets: government-to-government dealings (for example, the federal government can and does cooperate with tribal governments in the same way that it does with state governments); and the provision through legislation, represented by the Snyder Act of 1921,[12] of special services such as health care and education which are not offered to any other group.

Over time this role has resulted in the development of a complex set of bureaucracies that administer federal Indian policy. Although not all of the programs are directed at improving employment prospects, many of them have either direct or indirect effects on employment.

Bureau of Indian Affairs

The Bureau of Indian Affairs (BIA) has existed since the early 1800s, first within the War Department and then within the Department of the Interior. From time to time consideration has been given to moving the BIA to the Department of Health and Human Services (DHHS). The bureau traditionally has focused its efforts on the reservation and Oklahoma Indian populations. In 1981, it estimated its service population as 734,895, about half the size of the entire Indian population counted in the 1980 census.[13] Part of the BIA's budget is spent on educational programs, both to operate schools for children in reservation areas and to aid non-Indian schools with Indian students, the latter through the Johnson-O'Malley program.[14] Another part of its budget is allocated for Indian services, including those to tribal governments, social services, law enforcement and housing. A third category covers economic development and employment programs. The BIA also has natural resource development programs, trust responsibilities (the responsibility to act in the best interests of Indians in managing Indian-

owned land and other resources), facilities management, and general administration expenses.

Indian Health Service

Established as a part of the Public Health Service in 1954, the major responsibility of the Indian Health Service (IHS) has been to provide health care to Indians on reservations and in Oklahoma. Its estimated service population in 1980 was 850,000.[15] It administers comprehensive health care to American Indians, half of its funding being devoted to the operation of hospitals and health clinics throughout the country, and another large share supporting contract health care. The latter provides specialized services that are not available through IHS clinics or hospitals. These programs reflect a significant part of the expenditures by the federal government on comprehensive health care for Indians. It should be recognized, though, that each hospital and clinic do not offer a complete range of expensive and/or rarely used services.

Two other categories of IHS expenditures, the equity health care fund and health care for urban Indians, reflect efforts to meet the needs of a changing Indian population. The equity fund is being used to move gradually toward a system in which expenditures in various areas match the need in those areas. This marks a departure from previous IHS policy, which funded health programs on the basis of past funding rather than current need. IHS-administered health care for urban Indians is also a fairly recent innovation, and provides services to the growing Indian population in large cities.

Department of Agriculture

The Farmers Home Administration (FHA) and the Food and Nutrition Service (FNS), both within the Department of Agriculture, are not agencies for Indians only, as are the BIA and IHS, but they do provide direct funding to tribes to administer programs specifically for American Indians. FHA expenditures are often used to develop and/or improve the water and waste disposal systems in Indian communities, and over half of the FNS expenditures for Indian programs support food stamp programs that are administered through tribes. The FNS also sponsors programs for child nutrition, commodity distribution, and the Special Supplemental Food Program for Women, Infants, and Children (WIC) through tribes.

Office of Elementary and Secondary Education

This office administers the Title IV Indian education programs,[16] which provide various forms of financial assistance to school systems with Indian students. Title IV monies are used to support a variety of services, ranging from cultural programs to counseling. The office also administers compensatory education programs for American Indians.

Federal Employment Programs

Although a high proportion of federal expenditures for Indians goes toward health, health-related (i.e., nutritional, sanitation and water supply), and educational programs, a small amount is directed specifically at creating employment opportunities. In fiscal year 1983, the Department of Labor spent $87 million on Comprehensive Employment and Training Act (CETA) programs through Indian tribes, and in fiscal year 1984 it spent $76 million on Job Training Partnership Act programs through the tribes. In 1984, the BIA also spent approximately $60 million, 6 percent of its budget, on economic development and employment programs.[17]

State Governments

The U.S. Constitution designated the federal government as the party responsible for dealing with Indian affairs, prohibiting the state governments from taking a strong role. Subsequent Supreme Court decisions also have delimited the actions of states in Indian affairs. The Johnson-O'Malley Act of 1934,[18] however, gave state governments responsibility for providing educational and other services to Indians. Also, tribes over time have intentionally and unintentionally allowed state and county governments to assume responsibilities that could have been reserved to tribal governments. This has led to a complicated situation in which states are uncertain of their authority to legislate and regulate Indians living on reservations.

The confusing situation of state relationships with Indians is illustrated by the controversy concerning Chippewa fishing rights in Wisconsin. Treaties between the Chippewa and the federal government preserved fishing rights for Chippewa people in waters outside the reservations on which the Chippewa agreed to live. The state regulates the fishing of non-Chippewa people in these waters, so it is perplexing to many state legislators and non-Indian citizens of Wisconsin that the state cannot regulate the fishing of the Chippewa in the same way.

Tribal Governments

The federal government has at various times tried to eliminate tribal governments. Allotment policy in the late 1800s and early 1900s was designed to do so, as well as to divide tribally-owned lands into plots owned by individual Indians, thus ostensibly aiding in their assimilation. More recently, the termination policy of the 1950s was intended to end the special government-to-government relationship between the federal government and tribal governments. At other times, the federal government has sought to strengthen and "modernize" tribal governments. For example, the 1934 Indian Reorganization Act enabled tribal governments to reorganize, but in ways that were consistent with the model of government deemed appropriate by the majority society rather than the traditional models of government used by different Indian groups.[19] The current policy of self-determination was initiated in the mid-1970s and is supported by the Bush administration. Under it, tribes have gradually assumed more control over programs delivered to their citizens.

Although the Reagan administration also endorsed self-determination, the Presidential Commission on Reservation Economies viewed some features of tribal government as major barriers to the economic development of Indian reservations. A controversial suggestion made by the commission was that tribes should relinquish those rights that pose risks for companies which might desire to locate on Indian reservations — i.e., the commission argued that the rights of sovereign immunity guaranteed to tribes by the Constitution and Supreme Court decisions made private companies reluctant to do business on reservations, since the companies had limited legal recourse for dealing with problems that might arise.

A Typology of Indian Employment Policy

The complex history of federal, state and tribal relations and the elaborate structure of the bureaucracies and legislation that deal with American Indians have led to a number of strategies to address their employment problems. Although these policies can be categorized in several different ways, it is useful to think of them in terms of three major types: (1) those that emphasize Indians as members of distinct tribal governments, somewhat akin to state governments; (2) those that emphasize Indians as members of a minority group in the same way that blacks are members of a minority group; and (3) those that emphasize

Indians as part of a larger group of disadvantaged individuals in need of better education and training.

The policies that emphasize tribal governments can be further subdivided into two types: those that are designed to develop tribally-owned businesses and those that are designed to help tribes attract private businesses to reservations. Although a number of tribes own businesses, federal policy in the early 1980s discouraged tribes from doing so. The Presidential Commission on Reservation Economies argued instead that tribes should act as governments, providing incentives for private companies to locate on reservations. The development of tribal businesses has nonetheless had a tremendous impact. As one author noted, the traditional council in many tribes has been replaced by the business committee as the most important decisionmaking unit.[20]

Affirmative action is the major employment policy that treats Indians as a minority group, covering them just as blacks, Hispanics and other groups are covered. Among the policies that have treated Indians as disadvantaged individuals are the Employment Assistance Program (begun in 1952), which was designed to help Indians leave reservations and other isolated rural areas for urban areas with better employment chances, the Comprehensive Employment and Training Act of 1973, which provided training and public service employment for Indians along with other disadvantaged minority and majority individuals, and its successor, the Job Training Partnership Act of 1982, which took effect in fiscal year 1984.

Evidence on Policy Effectiveness

As mentioned at the beginning of this chapter, most observers seem to feel that the policies discussed above singly and in combination have failed to improve significantly the employment of American Indians. This view is not based on a careful review of the existing evidence, however, and it is to such a review that this chapter now turns.

The traditional model for tribal government-based strategies was for Indian tribes to lease land or other natural resources to private individuals or companies. C. Matthew Snipp has assessed the benefits to tribes from these leases.[21] His analysis suggests that Indians have, in general, been harmed from the leasing of agricultural lands and water to non-Indians for two major reasons. First, some of the best land controlled by Indians has been leased, which prevents Indian farmers and ranchers from utilizing it. Second, the leases were traditionally negotiated by the federal government acting on behalf of the Indians, result-

ing in leases that were favorable to non-Indians at the expense of the original Indian owners.

Snipp points out that Indians have benefited more from leases of timber than of land or water, but only a few tribes have sufficient timber resources that are attractive enough to provide lease income. A growing source of such income comes from the minerals, including oil and gas, that have been discovered on Indian lands. Indian tribes rarely, however, have the necessary expertise to negotiate favorable leases. Snipp states: "Managing energy resource development and effectively negotiating lease agreements require highly specialized technical skills about geological formations and market behavior. Most tribes, and BIA officials, lack this expertise."[22] Recognition of this problem among Indians has led to their pooling of expertise and knowledge as, for example, in the formation of the Council of Energy Resource Tribes (CERT) in 1975. CERT has assisted a number of tribes in the negotiation of natural resource leases.

The dissatisfaction of many Indians with lease arrangements has led several tribes to attempt to develop their own natural resources. Some tribes, such as the Menominee, have built their own lumber mills. Others have attempted to exert more control over water in order to irrigate additional land for agricultural purposes.[23] Other tribes have attempted to engage in other tribally-sponsored enterprises. The Chickasaws in Oklahoma, for example, own a cabinetmaking company, a service station with a convenience store, and a motel.

The Presidential Commission on Reservation Economies suggested that tribes forego establishing their own enterprises and attempt to attract private businesses to the reservation. As Joanne Nagel and her colleagues point out, however, there are a number of problems that inhibit the ability both to develop tribally-owned enterprises and to attract private businesses.[24] The geographical isolation of Indian reservations makes them unlikely choices for many businesses, and the small size of many tribes means that there are few tribal consumers for any products produced by a business. Air or train travel to many reservations is not feasible.

In sum, the evidence suggests that strategies relying on tribal governments have achieved only limited success in improving the employment opportunities of Indians. Further, current knowledge does not clearly identify other strategies for overcoming barriers to economic growth on reservations. This is not something that is peculiar to the Indian situation. Both the Kerner Commission's report of 1968 and, more recently, the work of William Julius Wilson in analyzing employment problems in urban areas, have emphasized economic growth as a major way of overcoming urban unemployment.[25] As Edward Gram-

lich has written, however: "The frustrations involved in economists' search to find ways of stimulating employment are immense and long-standing. . . . Vigorous booms cannot be created."[26] This is true of both the national economy, to which Gramlich was referring, and local economies, such as those in central cities and on Indian reservations.

There has been very little research on the impact of affirmative action on the employment of American Indians; most of what we can say about this is based on research concerning blacks. Basically, the results indicate that affirmative action has improved the employment opportunities of blacks, but has had little long-term impact on their earnings.[27] The few studies that have examined American Indians indicate that affirmative action has improved their employment opportunities.[28] More specifically, companies that are federal contractors and those that are monitored by the Equal Employment Opportunity Commission have increased the representation of minority group members in their ranks.

There has also been very little attention devoted to the impact of individual-oriented employment strategies on American Indians. The wider body of research on this topic shows that public sector employment through CETA and additional training programs did improve the employment record of the most disadvantaged workers.[29] Since many Indians are very disadvantaged, it is plausible to argue that these programs may have worked to their benefit as well. For example, Alan Sorkin looked at employment and training programs directed specifically at American Indians.[30] Focusing on adult vocational training, on-the-job training, and direct relocation, he concluded that these programs were relatively efficient compared to similar programs that were open to all individuals.

Summary and Conclusions

The evidence in the first section of this chapter indicates that American Indians continue to experience problems in securing adequate employment. These employment problems result in low earnings, which correspondingly result in low family incomes and high poverty rates. Lack of economic development on Indian reservations is a major source of employment problems, but efforts to develop reservation economies have met with limited success. Further, although there is some evidence that direct relocation programs lead to long-term benefits for some individuals, leaving the reservation is not a clear solution to the problem.

The evidence reviewed above and elsewhere also indicates, however, that American Indians have made considerable progress over the past several decades.[31] The incomes, earnings and employment of Indians have improved relative to those of whites. Expenditures on programs discussed above have led to improvements in health, housing and general living conditions on reservations. So, although many problems remain, it is important to remember that a great deal of progress has been made.

All of this leads to some modest suggestions. First, the federal government should maintain its current policy of self-determination and continue to provide financial support to tribes for the administration of important health, housing, educational and employment programs. The lack of economic development means that tribes will continue to need financial assistance well into the future. Second, we should renew our commitment to affirmative action, which has improved the employment opportunities of American Indians. Third, resources should be recommitted to public sector job creation on the reservations, where a wide variety of tasks, such as road repair and housing renovation, could be accomplished by this means. The evidence indicates that job creation programs have had long-range impacts on participants. Fourth, we should recommit resources to the Employment Assistance Program so that individuals who wish to leave isolated, underdeveloped areas can do so. On the other hand, individuals who do not wish to leave should not be urged to migrate. There frankly are no easy solutions to the problem of encouraging economic development on reservations. Nevertheless, we cannot afford to wait for economic development alone to solve employment problems. Perhaps the most worthwhile actions for now are those which simply provide jobs for American Indians.

NOTES

[1]See Presidential Commission on Reservation Economies, *Report and Recommendations to the President of the United States* (Washington, D.C.: U.S. Government Printing Office, 1984).

[2]U.S. Bureau of the Census, *Census of the Population, 1980: General Social and Economic Characteristics of the Population* (Washington, D.C.: U.S. Government Printing Office, 1983); U.S. Bureau of the Census, *American Indians, Eskimos, and Aleuts on Identified Reservations and in the Historic Areas of Oklahoma (Excluding Urbanized Areas)* (Washington, D.C.: U.S. Government Printing Office, 1986).

[3]Gary D. Sandefur and Arthur Sakamoto, "American Indian Household Structure and Income," *Demography* 25: 1 (February 1988): 71-80.

BEST COPY AVAILABLE

[4]Gary D. Sandefur and Anup Pahari, "Racial and Ethnic Inequality in Earnings and Employment," *Social Service Review* 63: 2 (June 1989): 199-221.

[5]See, for example, Gary D. Sandefur and Wilbur J. Scott, "Minority Group Status and Wages of White, Black, and Indian Males," *Social Science Research* 12: 1 (March 1983): 44-68.

[6]Sandefur and Pahari, op. cit. note 4.

[7]Sandefur and Scott, op. cit. note 5.

[8]Gary D. Sandefur, "The Duality in Federal Policy toward Minority Groups," in Gary D. Sandefur and Marta Tienda, eds., *Divided Opportunities: Minorities, Poverty, and Social Policy* (New York: Plenum Press, 1988), pp. 207-229; U.S. Congress, Office of Technology Assessment, *Indian Health Care* (Washington, D.C.: U.S. Government Printing Office, 1986).

[9]C. Matthew Snipp and Gary D. Sandefur, "Earnings of American Indians and Alaskan Natives: The Effects of Residence and Migration," *Social Forces* 66: 4 (June 1988): 994-1008.

[10]A recent report prepared by the Applied Population Laboratory of the University of Wisconsin-Madison indicated, for example, that American Indians residing in central cities in Wisconsin were doing as poorly as those living on reservations.

[11]There are a number of analyses of the development of federal Indian policy. See, for example, Francis P. Prucha, *The Great Father: The United States Government and the American Indians*, Vols. 1-2 (Lincoln, NE: University of Nebraska Press, 1984).

[12]Snyder Act, 42 Stat. 208, November 2, 1921 (67th Congress, 1st Session).

[13]Theodore W. Taylor, *The Bureau of Indian Affairs* (Boulder, CO: Westview Press, 1984), Table 1, p. 163.

[14]Johnson-O'Malley Act of 1934, 48 Stat. 596, April 16, 1934 (73rd Congress, 2nd Session).

[15]U.S. Congress, Office of Technology Assessment, op. cit. note 8, p. 6.

[16]Indian Education Act, P.L. 92-318, 86 Stat. 334, June 23, 1972 (92nd Congress, 2nd Session).

[17]Presidential Commission on Reservation Economies, op. cit. note 1, pp. 92, 94.

[18]Johnson-O'Malley Act, op. cit. note 14.

[19]Indian Reorganization Act, 48 Stat. 984, June 18, 1934 (73rd Congress, 2nd Session).

[20]William Carmack, "Indian Governments," paper presented at the Conference on the Kerner Commission Report: Twenty Years Later (Racine, WI: Wingspread Conference Center of the Johnson Foundation, March 1988).

[21]C. Matthew Snipp, "Public Policy and American Indian Economic Development," in C. Matthew Snipp, ed., *Public Policy Impacts on American In-*

BEST COPY AVAILABLE

dian Economic Development (Albuquerque, NM: Institute for Native American Development, University of New Mexico, 1988), pp. 1-22.

[22]Ibid., p. 8.

[23]See F. Lee Brown and Helen M. Ingram, *Water and Poverty in the Southwest* (Tucson, AZ: University of Arizona Press, 1987).

[24]Joanne Nagel, Carol Ward and Timothy Knapp, "The Politics of American Indian Economic Development," in Snipp, op. cit. note 21, pp. 39-76.

[25]National Advisory Commission on Civil Disorders (Kerner Commission), *Report, the New York Times Edition* (New York: E. P. Dutton, 1968); William Julius Wilson, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (Chicago: University of Chicago Press, 1987).

[26]Edward M. Gramlich, "The Main Themes," in Sheldon H. Danziger and Daniel H. Weinberg, eds., *Fighting Poverty: What Works and What Doesn't* (Cambridge, MA: Harvard University Press, 1986), pp. 341-347.

[27]See, for example, James Smith and Finis Welch, *Forty Years of Progress* (Santa Monica, CA: The Rand Corporation, 1986).

[28]See, for example, Jonathan Leonard, "The Impact of Affirmative Action on Employment," *Journal of Labor Economics* 2: 4 (October 1984): 439-463.

[29]See Laurie Bassi and Orley Ashenfelter, "The Effect of Direct Job Creation and Training Programs on Low-Skilled Workers," in Danziger and Weinberg, op. cit. note 26, pp. 133-151, for a careful review of the research on employment and training programs.

[30]Alan L. Sorkin, *American Indians and Federal Aid* (Washington, D.C.: Brookings Institution, 1972).

[31]See Sandefur, "The Duality in Federal Policy Toward Minority Groups," in Sandefur and Tienda, op. cit. note 8, especially pp. 218-224, for a more detailed review of health and educational programs.